

Message Text

CONFIDENTIAL

PAGE 01 AMMAN 03928 01 OF 02 140819Z
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 CEA-01 DODE-00
PM-04 H-01 L-03 NSC-05 PA-01 PRS-01 SS-15 MMO-01
STR-04 IGA-02 /092 W
-----048174 140831Z /15

R 140602Z JUL 77
FM AMEMBASSY AMMAN
TO SECSTATE WASHDC 2341
INFO AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT

C O N F I D E N T I A L SECTION 1 OF 2 AMMAN 3928

E.O. 11652: GDS
TAGS: EAID, ECRP, EFIN, JO
SUBJECT: GOJ CASH FLOW, JANUARY 1 - JUNE 30, 1977

REF: A) AMMAN A-74 (1976), B) AMMAN A-48 (1976),
C) AMMAN 99, D) AMMAN 3912

1. SUMMARY -- IN RESPONSE TO AMBASSADOR'S REQUEST TO GOJ
MINISTER OF FINANCE, MINISTRY HAS PROVIDED EMBASSY WITH
FINAL (PRELIMINARY) CASH FLOW STATEMENT FOR FIRST SIX MONTHS
OF 1977. 1977 CASH FLOW STATEMENT, WHICH IS REPRODUCED IN
SUMMARY FORM IN PARAGRAPH #2 BELOW, INCLUDES FOR FIRST TIME
IN OFFICIAL WRITTEN GOJ COMMUNICATION TO EMBASSY EXPLANATION OF
DISPOSITION OF \$140 MILLION CHECK RECEIVED FROM SAUDIS
(E.E., INCLUSION IN "OTHER FINANCIAL ASSISTANCE OF PART I
REVENUES) AND PLACES PRECISE FIGURE (24.4 MILLION JD) ON
UNFUNDED MILITARY OBLIGATIONS UNDERTAKEN IN 1976 IN
ANTICIPATION OF RABAT SUBSIDIES THAT DID NOT MATERIALIZE.
INCLUDING DEFICIT CARRIED OVER FROM 1976, TOTAL DEFICIT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 AMMAN 03928 01 OF 02 140819Z

ON CASH FLOW BASIS IS 35 MILLION JD AS OF JULY 1, 1977.
EXCLUSIVE OF DEBTS CARRIED FORWARD FROM PREVIOUS YEAR, CASH
FLOW FOR FIRST SIX MONTHS OF 1977 ITSELF IS ROUGHLY IN LINE
WITH ESTIMATES OF 1977 BUDGET LAW. WITHOUT \$140 MILLION
SAUDI CHECK, BOTH TOTAL AND DOMESTIC REVENUES ARE SLIGHTLY
LESS THAN HALF OF THOSE PROJECTED FOR YEAR IN THAT DOCUMENT,
AND EXPENDITURES HAVE BEEN SLIGHTLY GREATER THAN HALF OF

THEIR ESTIMATED TOTAL FOR ENTIRE YEAR. END SUMMARY.

2. FINAL (PRELIMINARY) CASH FLOW STATEMENT FOR FIRST SIX MONTHS OF 1977 IS REPRODUCED IN SUMMARY BELOW.

	CARRIED FROM 1976	1977 CASH FLOW (ACT., 1/1 - 6/30)
REVENUES	21.3	151.8
DOMESTIC REVENUES	3.6	59.6
DOMESTIC BORROWING	0.0	7.5
FOREIGN CAPITAL LOANS (USA)	6.5	1.8
FINANCIAL ASSISTANCE	11.7	82.9
SAUDI ARABIA (KHARTOUM)	0.0	5.0
KUWAIT (KHARTOUM)	.9	6.8
U.S.A.	4.9	9.9
OTHER	5.9	61.2
EXPENDITURES	39.3	161.7
CURRENT EXPENDITURES	0.0	92.7
CAPITAL EXPENDITURES	39.4	69.0
PRINCIPAL REPAYMENT ON FOREIGN AND DOMESTIC DEBT	0.0	8.0
REGULAR AND 5 YR. PL. INVESTMENT (1977 BUDGET)	-	28.5
DEVELOPMENT (1976 AND PREVIOUS)	15.0	12.0

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 AMMAN 03928 01 OF 02 140819Z

MILITARY OBLIGATIONS	24.4	20.5
----------------------	------	------

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 AMMAN 03928 02 OF 02 140838Z

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 CEA-01 DODE-00

PM-04 H-01 L-03 NSC-05 PA-01 PRS-01 SS-15 MMO-01

STR-04 IGA-02 /092 W

-----048293 140847Z /15

R 140602Z JUL 77

FM AMEMBASSY AMMAN
TO SECSTATE WASHDC 2342
INFO AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT

C O N F I D E N T I A L SECTION 2 OF 2 AMMAN 3928

3. AS USUAL THERE ARE SOME MINOR DISCREPANCIES BETWEEN OBLIGATIONS CARRIED OVER FROM 1976 ON THIS MOST RECENT STATEMENT AND 1976 CASH FLOW STATEMENT SHOWN IN REFEL D. THESE HAVE BEEN EXPLAINED AS CORRECTIONS OF BOOKKEEPING ERRORS AND DATA REFINEMENTS. AS OF JULY 1, CUMMULATIVE DEFICIT ON CASH FLOW BASIS IS REPRESENTED AS 35 MILLION JD. THIS FIGURE DERIVES FROM ACCUMULATED DEFICIT OF 20.3 MILLION JD FROM PREVIOUS YEARS, 11.7 MILLION JD DIFFERENCE BETWEEN REVENUES AND EXPENDITURES FOR FIRST SIX MONTHS OF 1977, AND 3 MILLION JD (UNRECORDED) NON-OFFICIAL BORROWINGS.

4. BREAKDOWN OF 61.2 MILLION JD IN "OTHER FINANCIAL ASSISTANCE" IS MOST INTERESTING LINE ITEM IN PARAGRAPH #2 ABOVE. IT INCLUDES:

SAUDI ARABIA	\$140 MILLION
QATAR (AD HOC)	2.7 "
QATAR (RABAT)	6.5 "
ABU DHABI (AD HOC)	15.0 "
ABU DHABI (RABAT)	19.0 "

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 AMMAN 03928 02 OF 02 140838Z

TOTAL 183.2 MILLION

ADDITIONALLY, UNFUNDED MILITARY EXPENDITURE OBLIGATIONS FROM 1976 ARE LISTED AS 24.4 MILLION JD IN FIRST OFFICIAL RECORD EMBASSY HAS RECEIVED ON THIS MATTER. ADDITIONAL ITEM OF INTEREST IS AMOUNT OF 6.8 MILLION JD RECEIVED AS PART OF 1977 KUWAITI KHARTOUM PAYMENT. THIS IS 2.1 MILLION JD MORE FOR FIRST SIX MONTHS THAN ANTICIPATED IN 1977 BUDGET AND RESULTS FROM KUWAITI AGREEMENT TO ADJUST TO STEADY DEPRECIATION OF BRITISH POUND STERLING, IN WHICH THESE PAYMENTS ARE DENOMINATED. GOJ NOW EXPECTS TO RECEIVE 16 MILLION JD IN KUWAITI KHARTOUM SUBSIDY IN 1977, VICE 9 MILLION JD IN BUDGET, BECAUSE OF THIS ADJUSTMENT.

5. PRESENT ESTIMATES OF DOMESTIC REVENUE RECEIPTS IN 1977 ARE DOWN 6-7 MILLION JD FROM AMOUNT INDICATED IN BUDGET LAW (137.3 MILLION JD) DUE TO DECREASING REVENUES IN CUSTOMS LEVIES RELATED TO CURRENT BUSINESS DOWNTOWN, WEAKNESS IN INCOME TAX COLLECTION, AND DECREASING LAD TRANSFER TAX RECEIPTS WITH CESSATION OF REAL ESTATE SPECULATION.

6. MINISTRY OF FINANCE HAS ALSO ADVISED US THAT SAUDIS
HAVE MADE FINAL DECISION NOT REPEAT NOT TO MAKE RABAT
SUBSIDY PAYMENT TO JORDAN FOR 1976 OR 1977.
IF THIS TURNS OUT TO BE THE CASE, THEN EFFECTIVELY
THERE WILL BE A TOTAL OF \$165.5 MILLION IN RABAT OR
QUASI RABAT PAYMENTS. (\$140 MILLION SAUDI, \$6.5 MILLION
QATAR, AND \$19 MILLION ABU DHABI) IN 1977. MILITARY
OBLIGATION WOULD APPEAR TO ABSORB ONLY 24.4 MILLION JD
(EQUALS \$75 MILLION) OF THIS AMOUNT WITH MOST, IF NOT ALL,
OF THE REMAINDER BEING DEVOTED TO CURRENT AND DEVELOPMENT
BUDGET EXPENDITURES. THIS WOULD REPRESENT CONSIDERABLE SHIFT
FROM MILITARY TO CIVILIAN EXPENDITURES IF WE ASSUMED, AS PREVIOUSLY
WE DID, THAT MOST OF RABAT PAYMENTS WERE DESTINED FOR THE MILITARY,
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 AMMAN 03928 02 OF 02 140838Z

ANOTHER SOMEWHAT UNEXPECTED OUTCOME OF THE \$140 MILLION HAWK
PAYMENT DEBACLE.
PICKERING

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL STABILITY
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977AMMAN03928
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770250-0755
Format: TEL
From: AMMAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770760/aaaabzdk.tel
Line Count: 192
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: df3ad76b-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 AMMAN A-74, 77 AMMAN A-48
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1869930
Secure: OPEN
Status: NATIVE
Subject: GOJ CASH FLOW, JANUARY 1 - JUNE 30, 1977
TAGS: EAID, ECRP, EFIN, JO
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/df3ad76b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009